

August 19, 2005

Honorable James H. Welsh  
Commissioner of Conservation  
Department of Natural Resources  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, Louisiana 70804-9275

RE: Authority to Downhole Commingle  
Lower M-1 Sand, Reservoir A, SU  
Lower M-2 Sand, Reservoir A, SU  
**LAKE BARRE FIELD**  
Terrebonne Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Hilcorp Energy Company for the calling of a public hearing, after ten (10) days legal notice, to consider the following matters pertaining to the LB LM-1 RA SU and the LB LM-2 RA SU in the Lake Barre Field, Terrebonne Parish, Louisiana:

1. To grant authority for Hilcorp Energy Company, the unit operator of the LB LM-1 RA SU established by Office of Conservation Order No. 662-A, effective April 1, 1965, and the unit operator of the LB LM-2 RA SU established by Office of Conservation Order No. 662-B, effective April 1, 1965, to combine downhole the production from the LM-1 Sand and the LM-2 Sand in the well-bore of the Hilcorp Energy Company - LB Un 39 No. 5 Well.
2. To continue in full force and effect the provisions of Office of Conservation Order Nos. 662-A and 662-B, both effective April 1, 1965.
3. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower M-1 Sand, in the Lake Barre Field, Terrebonne Parish, Louisiana, was fully defined in Office of Conservation Order No. 662-A, effective April 1, 1965.

The Lower M-2 Sand, in the Lake Barre Field, Terrebonne Parish, Louisiana, was fully defined in Office of Conservation Order No. 662-B effective April 1, 1965.

The LB LM-1 RA SU and the LB LM-2 RA SU are shown on the attached plat. These two units have the same geographical configuration and the working interest, royalty interest and overriding royalty ownership in each of the units are the same. Therefore, downhole commingling, as proposed by the applicant, will not require any separate allocation of production.

All pertinent data relating to the subject application can be obtained **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, 6300 Westpark, Suite 400, Houston, Texas 77057 (713-659-8363).

Attached hereto and made a part hereof is a plat outlining the existing units and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this commingling proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties, and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Hilcorp Energy Company, in the sum of \$1,510.00, payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister, Jr.

BMJr/cu

Enclosures

cc: Mr. Richard Hudson  
Office of Conservation  
825 Kaliste Saloom Road  
Brandywine III, Suite 220  
Lafayette, Louisiana 70508

Interested Parties, Interested  
Owners and Represented Parties

R 19 E

R 20 E

T  
21  
S

LB LM-1 SU  
Order No. 662-A  
LB LM-2 SU  
Order No. 662-B  
1352.88 ACRES

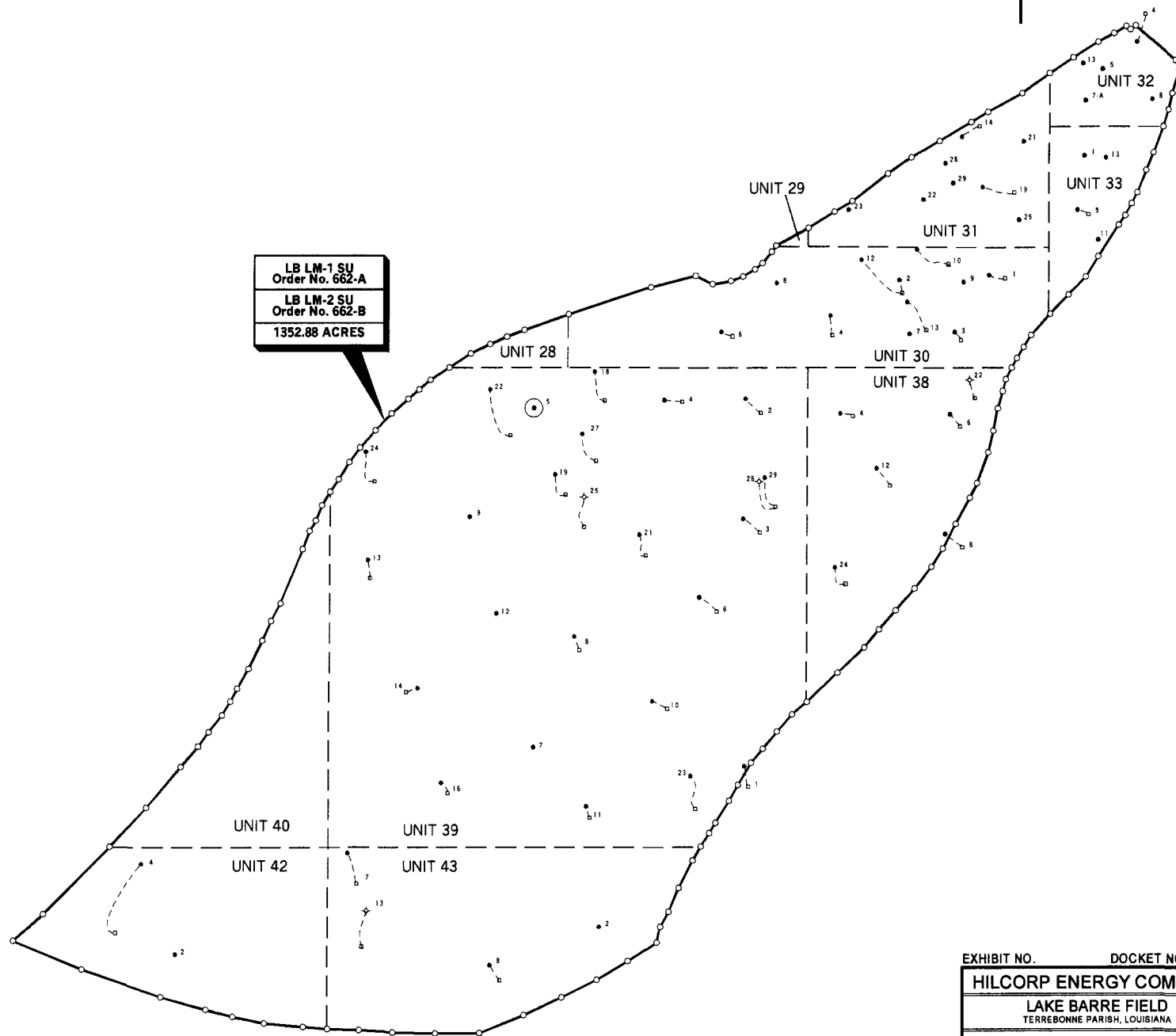


EXHIBIT NO.	DOCKET NO.
HILCORP ENERGY COMPANY	
LAKE BARRE FIELD	
TERREBONNE PARISH, LOUISIANA	
COMPOSITE UNIT	
LOWER M-1 & LOWER M-2 SANDS	
Geology by: William S. McAllister, Jr.	
DATE:	
LEON E. COMEAUX & ASSOC.	GEOLOGISTS